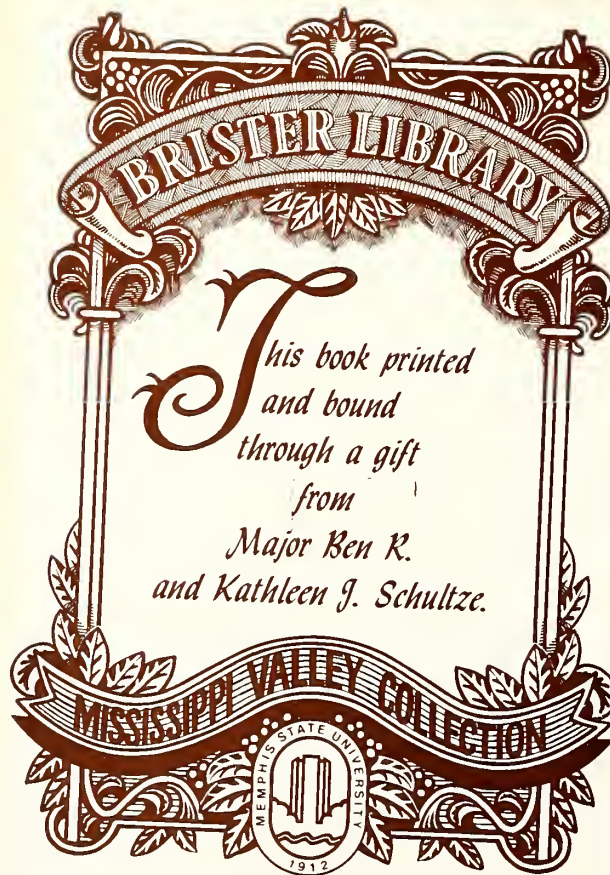


ORAL HISTORY OF THE
TENNESSEE VALLEY AUTHORITY
INTERVIEWS WITH
FRANK WELCH

BY CHARLES W. CRAWFORD
TRANSCRIBER - BRENDA MEIER
ORAL HISTORY RESEARCH OFFICE
MEMPHIS STATE UNIVERSITY



11671619

OHT 8/27/92




**MEMPHIS STATE UNIVERSITY
LIBRARIES**

MVC
TC
425
T2
W44x
1971

UNIVERSITY OF MEMPHIS LIBRARIES



3 2109 00699 7218



Digitized by the Internet Archive
in 2012 with funding from
LYRASIS Members and Sloan Foundation

<http://archive.org/details/oralhistoryoften00welc>

ORAL HISTORY OF THE TENNESSEE VALLEY AUTHORITY

INTERVIEW WITH FRANK WELCH

JANUARY 15, 1971

BY CHARLES W. CRAWFORD

TRANSCRIBER - BRENDA MEIER

ORAL HISTORY RESEARCH OFFICE

MEMPHIS STATE UNIVERSITY

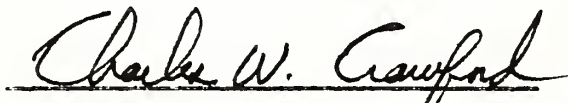
MEMPHIS STATE UNIVERSITY
ORAL HISTORY RESEARCH OFFICE

I hereby release all right, title, or interest in and to all of my tape-recorded memoirs to the Mississippi Valley Archives of the John Willard Brister Library of Memphis State University and declare that they may be used without any restriction whatsoever and may be copyrighted and published by the said Archives, which also may assign said copyright and publication rights to serious research scholars.

PLACE Washington, D.C.

DATE January 15, 1971


(Interviewee) FRANK J. Welch


(For the Mississippi Valley Archives
of the John Willard Brister Library
of Memphis State University)

THIS IS THE ORAL HISTORY RESEARCH OFFICE OF MEMPHIS STATE UNIVERSITY.
THIS PROJECT IS "AN ORAL HISTORY OF THE TENNESSEE VALLEY AUTHORITY."
THE PLACE IS WASHINGTON, D. C. THE DATE IS JANUARY 15, 1971, AND THE
INTERVIEW IS WITH MR. FRANK WELCH, FORMERLY A DIRECTOR OF THE TENNESSEE
VALLEY AUTHORITY. THE INTERVIEW IS BY DR. CHARLES W. CRAWFORD, DIRECTOR
OF THE MEMPHIS STATE UNIVERSITY ORAL HISTORY RESEARCH OFFICE, AND WAS
TRANSCRIBED BY MRS. BRENDA P. MEIER.

DR. CRAWFORD: Dr. Welch, I suggest that we start by summing
up something of your early life and background before you
were associated with TVA. You might start at the beginning
and go forward to that point.

DR. WELCH: Well I presume we might start with birth and
development from there. I was born in Texas, moved to
Mississippi at an early age, went to school there; was
identified with the state department of education for a
period of time; and then took a Master's degree at the
University of Colorado and a Ph.D. at the University of
Wisconsin, and a LL.D degree from Blackstone Law Institute.
I developed a thesis at the University of Colorado that
had to do with evaluation of public utilities for rate-
making purposes, and this early study led me into the
public utility field and I've had a keen interest in it
ever since.

DR. WELCH:
(Cont'd.)

Also, after leaving the state department of education in Mississippi I went to Mississippi State College as Head of the Department of Economics and Sociology, and I believe I served in that capacity for a couple of years. Then I became Dean of the College of Agriculture and Director of the Agricultural Experiment Station. And after staying there for some fourteen or fifteen years I went to the University of Kentucky as Dean and Director of the Division of Agriculture, and took leave of absence in 1957 to become one of the members of the Board of Directors of the TVA, and served until 1959.

DR. CRAWFORD: Very well, sir. Let me ask a few questions, if I may, about this part. What did you study at the University of Mississippi, and why did you decide to go on to Colorado?

DR. WELCH: I took a Bachelor's degree at the University of Mississippi and took a major in economics and education, and I'm not sure I can tell you just why I went to the University of Colorado other than it seemed to be a place of interest and I thought there was a good school there in public administration and in economics, so I went there for a Master's degree.

DR. CRAWFORD: How did you get into the study of public utility regulation?

DR. WELCH: I took a course in public utilities with a professor there who was one of the few professors that I came in contact with during my long career that was inspirational, and he was quite interested in public utilities and encouraged me to develop a Master's thesis in the area.

DR. CRAWFORD: Who was this professor?

DR. WELCH: Dr. Field--Kenneth Field. He went from the University of Colorado to Northwestern University, and I think he was on the law faculty. He was both a Ph.D. in economics and law trained.

DR. CRAWFORD: At the University of Wisconsin, did you come into contact with Professor Martin Glazier?

DR. WELCH: Yes, I did, indirectly. I took my major training in agricultural economics and I knew Glazier casually. I took a minor in public administration and had a number of courses in the general economics field.

DR. CRAWFORD: What years were you at the University of Wisconsin?

DR. WELCH: I was there from 1938 to 1940.

DR. CRAWFORD: What impressions did you have, if any, of TVA at that time?

DR. WELCH: Well, I've had a high regard for TVA ever since it's inception in 1933.

DR. CRAWFORD: You were at the University of Wisconsin. You found that they were familiar with TVA?

DR. WELCH: And enthusiastic about its purposes and had a high regard for the competency that had been drawn to TVA.

DR. CRAWFORD: I suppose you were aware, at least later, that some of the consultation in the development of TVA did come from the University of Wisconsin in one way or another.

DR. WELCH: I was aware of the fact at the time, and of course Dave Lilienthal was a Wisconsin person, made a reputation for himself there before he went to TVA.

DR. CRAWFORD: Why did you decide to get a law degree?

DR. WELCH: I was interested in the legal field. I thought it

DR. WELCH: would lend breadth to my training program.
(Cont'd.)

DR. CRAWFORD: Did you wish to go back to Mississippi at that
time?

DR. WELCH: Well, this was in the thirties. I had a job in
Mississippi, and I might say I did want to go back, but
it was not easy to shift base in the thirties, I might say.

DR. CRAWFORD: At the University at Starkville--Mississippi
State--how did you get involved in agriculture? Had that
been part of your earlier training?

DR. WELCH: I took a Bachelor's degree at the University of
Mississippi, and as I indicated, a Master's degree in
economics and public administration. I have a farm
background and have been interested in agriculture and
it seemed to me at that time that there were opportunities
to make a contribution to the welfare of rural people and
agriculture. And after completing my training at Wisconsin
in agricultural economics I went to the agricultural field.

DR. CRAWFORD: When did you go to the University of Kentucky?

DR. WELCH: I went to the University of Kentucky in 1951.

DR. CRAWFORD: Why did you make the decision to go from one state to the other?

DR. WELCH: I thought there were broader opportunities at the University of Kentucky at that time.

DR. CRAWFORD: And you were there from '51 until '57, I believe?

DR. WELCH: Well, I was officially identified with the University of Kentucky from 1951 until 1962. When I left the University of Kentucky to go to the TVA, I left on leave of absence, which explains largely why I stayed with TVA for such a short period of time.

DR. CRAWFORD: What was the nature of your work at the University of Kentucky?

DR. WELCH: I was Dean of the College of Agriculture, Director of the Agricultural Experiment Station, and Director of the Agricultural Extension Service.

DR. CRAWFORD: All of the activities related, did you travel widely through the state?

DR. WELCH: I traveled very widely through the state, and I was

DR. WELCH: interested in and active in a good many other activities.
(Cont'd.) I served on the Board of Directors of the Federal Reserve Bank in Cleveland for five years while I was there. I was a member of the State Fair Board and a number of other boards and commissions.

DR. CRAWFORD: Did you have any direct contact with people from TVA during this period?

DR. WELCH: I had a number of contacts with TVA people. As you know, the land grant colleges in the area the TVA served were closely identified with TVA, in fertilizer work and conservation work and in a lot of various activities. I met fairly regularly with representatives of TVA and with personnel at TVA headquarters, during both the period of service at Mississippi State University and at the University of Kentucky.

DR. CRAWFORD: What were the circumstances of your being appointed to the Board of Directors in 1957?

DR. WELCH: In 1957 TVA was in a state of transition and a somewhat state of uncertainty. I think the administration at that time was looking for someone who was familiar with the programs and policies of TVA--someone who knew the area

DR. WELCH: well. And I knew the political representatives from
(Cont'd.) Kentucky in Washington, and it was out of this interest
on the part of the administration, out of my experiences
with TVA, and out of my interest in multiple-purpose
development programs that, I think, was responsible for
my appointment.

DR. CRAWFORD: The background seems entirely logical. How and
when did you learn that you were being considered for
appointment?

DR. WELCH: Only a short time before I was appointed. When I
say a short time--only two or three weeks.

DR. CRAWFORD: Do you know who suggested your name for appointment?

DR. WELCH: I believe Senator Morton and Senator Cooper, senators
from Kentucky at the time, discussed the prospect with the
White House.

DR. CRAWFORD: Did you have any opposition at all to your
appointment?

DR. WELCH: None that I know about.

DR. CRAWFORD: Were you considered in your politics a Democrat
or a Republican?

DR. WELCH: I presume I was considered as a Democrat.

DR. CRAWFORD: I think that was usual for the people of the area.

DR. WELCH: Well, I was a registered Democrat, but frankly my
voting habits have not always been particularly regular.

DR. CRAWFORD: Did the Senate have hearings about your appointment?

DR. WELCH: Yes, they did.

DR. CRAWFORD: What sort of hearings did you have? Did you have
lengthy hearings? Did you have to answer many questions?

DR. WELCH: I answered a good many questions, but the hearings
were relatively brief, I would say. There were no questions
raised about my appointment and I had strong support, not
only from the Kentucky delegation, but I had strong support
from other states--Mississippi and Tennessee and probably
others.

DR. CRAWFORD: Do you know if the people within TVA itself took a
position about your appointment?

DR. WELCH: I know of no position that was taken on the part of the TVA personnel.

DR. CRAWFORD: Let's see. You were appointed when in 1957?

DR. WELCH: I was appointed in December of 1957.

DR. CRAWFORD: And when did you take your oath of office? When did you move to Knoxville?

DR. WELCH: I think I took the oath of office in February, 1957.

DR. CRAWFORD: How long an interim had there been by the time of your appointment? What had happened to your previous director?

DR. WELCH: Dr. Paty was the director whose place I took, and I think the place had been vacant for only four or five months.

DR. CRAWFORD: Did you move to Knoxville directly after your appointment?

DR. WELCH: I did not move my family to Knoxville.

DR. CRAWFORD: You were, of course, familiar with the area though

DR. CRAWFORD: because of your previous experience?
(Cont'd.)

DR. WELCH: I was quite familiar with the area.

DR. CRAWFORD: When you did assume your duties with TVA, what were the major issues before the Board of Directors at that time?

DR. WELCH: Well, the major issues--the major concern--at that time was the financial support.

DR. CRAWFORD: The bonding proposal?

DR. WELCH: The bonding proposal and also the appropriation. Questions had been raised about the Eisenhower administration and its interest in TVA. Some statements had been made that seemed to indicate to the friends of TVA that support might not be as strong as the friends would have liked for it to have been.

DR. CRAWFORD: I know the TVA generally enjoyed rather complete support from the Kentucky and Tennessee and Mississippi delegations and others nearby. Did that continue throughout the time you were director?

DR. WELCH: Yes, it did. Strong support has been given TVA by

DR. WELCH: both the Tennessee and Kentucky members of the congress.
(Cont'd.)

DR. CRAWFORD: What did you think about the bonding proposal for
TVA's construction?

DR. WELCH: I think it's a very constructive move. I was for
it at the time and advocated and supported the move for
bonding.

DR. CRAWFORD: What was involved in getting that accepted? I
know there was a good deal of inertia to overcome.

DR. WELCH: Well, I think the people that were not friendly
toward TVA had some reluctance to see this move made,
and some concern that TVA might want to break out of its
established boundaries if it had the privilege of going
to the market for money. I would suspect that that largely
was back of the opposition to this move.

DR. CRAWFORD: Financially, you considered the bonding proposal
sound, didn't you?

DR. WELCH: There's no doubt about it. TVA is a growing
concern and I think since TVA has had the privilege of issuing
their own bonds, the reception of the financial community to
these bonds is a demonstration of the confidence on the part

DR. WELCH: of the financial community that this is a sound investment.
(Cont'd.)

DR. CRAWFORD: Well, the bonds have certainly not been difficult
to sell.

DR. WELCH: They've been sought after in the market, I should
say.

DR. CRAWFORD: Did you consider any idea for selling more of the
bonds in local markets?

DR. WELCH: I don't remember that the matter of the locale
of the sale of the bonds was an issue at the time. I
think we were largely concerned about getting the
privilege and finding a market for sale of the bonds,
getting the proceeds.

DR. CRAWFORD: How did you feel about the amount approved--the
top level--at which TVA would be allowed to issue bonds?

DR. WELCH: Well, I think it was a bit conservative. There is
great need for production of an increased power within the
area, and I think it was a bit conservative.

DR. CRAWFORD: Did you have difficulty with the Bureau of the

DR. CRAWFORD: Budget over the amount involved?
(Cont'd.)

DR. WELCH: That was one of the major issues at the time.

The Bureau of the Budget was reluctant to go along with
adequate appropriations and the Bureau of the Budget was
conservative in its views toward bonding issues.

DR. CRAWFORD: Of the people on the present staff, do you feel

that any gave you particular support in this proposal or
any were particularly opposed to it?

DR. WELCH: I'm not sure how much support was given. I think

the opposition to go the bonding route though, I would say
that it was limited. I think there was some recognition
that this was an appropriate way to get funds to operate
an agency that is a productive agency and an agency that
creates wealth.

DR. CRAWFORD: Do you think there was any opposition to this on

the part of the Bureau of the Budget because it would
limit their control over TVA?

DR. WELCH: I think that could have been a factor. The Budget

was very insistent on writing the finances of the TVA.

DR. CRAWFORD: And, of course, you still did receive your usual congressional appropriation?

DR. WELCH: Yes, the congress continued to appropriate funds for the operation of the program.

DR. CRAWFORD: What did you think about the amount of funds appropriated by Congress for the TVA programs? Did you feel that you needed more?

DR. WELCH: We would have used more funds, but I think the appropriations were not unrealistic, taking recognition of fiscal needs for overall governmental services at the time.

DR. CRAWFORD: Did you feel that a fair proportion of what you requested was granted?

DR. WELCH: We were reasonably satisfied, I think, with the amount of funds that we did receive.

DR. CRAWFORD: There was, as you know, a good deal of apprehension on the part of many people in the Valley when the Republicans finally did come to power in the fifties. There was fear, for example, as to what would be done to TVA. What impression

DR. CRAWFORD: did you get, personally, of the President's attitude toward (Cont'd.)

TVA?

DR. WELCH: I think the President's attitude toward TVA was more favorable than some of his expressions would have indicated. I think he expressed some concern about a government agency of the proportions of TVA operating in this area and wondered if private enterprise might not do a better job. And, as you probably know, there had been a proposal to sell TVA, turn it over to private operators at the time, and there was great apprehension, not only on the part of the people in the Valley. There was great concern on the part of the people that had looked upon TVA as an agency that was symbolic of a type of multiple, resource-use development.

DR. CRAWFORD: Well, as you know, TVA was an unusual type of government agency in its vocation, which probably gave it an unusual degree of independence and perhaps in the way that it operated. What do you know about the proposal to sell TVA as to who made it and who supported it?

DR. WELCH: Well, it's been twelve years since that proposal was made, and right at the moment I don't believe I can tell you the persons who proposed this. But, anyway, it was

DR. WELCH: assumed that this proposal might be seriously considered.
(Cont'd.)

I think, however, that it was never seriously considered on the part of the congress.

DR. CRAWFORD: No, I believe that it certainly never did get to that point. Do you feel that this proposal was supported by any members of the president's staff?

DR. WELCH: I don't think so. There was concern, of course, about General Vogel's attitude toward TVA at the time, but in my association with General Vogel on the Board, I found him to be a competent and dedicated Chairman of the Board and a person who was appreciative of the purposes of TVA.

DR. CRAWFORD: Did you learn to appreciate TVA more in the time that you were Director?

DR. WELCH: I had a high appreciation of TVA before I went there, but I think anyone who comes in contact with the dedicated personnel of TVA and has an opportunity to become acquainted in some detail with the overall operation of the program would come to appreciate it still more. I did.

DR. CRAWFORD: Of course, you had an unusual background in that you were very familiar with the many aspects of TVA in the region before you worked for them.

DR. WELCH: I was familiar with the various aspects of the program and I was also personally acquainted with the economic problems of the area before TVA came there.

DR. CRAWFORD: Many people are--some of the directors--were appointed from outside the area, without this background. Is it possible that they changed their attitude toward TVA after becoming members of the Board?

DR. WELCH: I think that's possibly true. Personally, I think TVA has been fortunate in having a Board of Directors through the years that have been dedicated persons and been appreciative of the broad objectives of the program. I'm sure that many of them learned a lot after they came there about the people, about the institutions, about the multiple purpose program, but the fact that they were not fully acquainted with the program before they came, I don't think would necessarily mean that they wouldn't make good directors.

DR. CRAWFORD: No, it might have given some breadth of view, having people from outside the region as well.

DR. WELCH: I think it would have been unfortunate if TVA had been staffed with regional people through the years.

DR. CRAWFORD: Well, in the original Board two members were from outside and one from the region, and I think that gave some strength to it in the case of Arthur and Harcourt Morgan and David Lilienthal.

DR. WELCH: I think these two persons made a great contribution to the development of TVA from its beginning. I doubt if you could have found more competent and more dedicated persons.

DR. CRAWFORD: I think TVA has been fortunate in its leadership and has had a rare degree of, I suppose, luck to get something of the nature that it has had in terms of leadership.

DR. WELCH: Well, I think you shouldn't overlook, and I'm sure you're not, the significance of staff personnel. And TVA was born in the thirties, at a time when a lot of competent people were looking for job opportunities. I think the opportunity related to the time that TVA came into existence provided an opportunity to get an unusually high level of competency, and I think the Board of Directors at the time took the necessary precaution to get highly competent people.

DR. CRAWFORD: I think that level of leadership was maintained from the Board, on down, and I believe perhaps the widespread

DR. CRAWFORD: support of the congressional leaders of the region assured
(Cont'd.)

that the Board itself would not become simply political
reward.

DR. WELCH: I don't think the Board of TVA has ever been highly
political, and I would say that one of the things that's
made TVA an effective organization through the years is
the fact that their recruitment of personnel was divorced
from political influence.

DR. CRAWFORD: That was specified in the TVA Act, I believe.

DR. WELCH: Well, it is specified there, but sometimes you get
specifications and the application of the specifications
don't always work out as intended. But I think the Board
zealously safeguarded the TVA from becoming loaded with
political appointees.

DR. CRAWFORD: And I know they had some struggles to maintain
that in the early period too.

DR. WELCH: They had some very difficult struggles. There were
some powerful persons on the hill that wanted to dictate the
appointment of top personnel in TVA.

DR. CRAWFORD: I believe Jim Farley, for example, the patronage director of the early period, was rather frustrated by this feature of TVA. I don't suppose you had any such problem by the time you became director, did you?

DR. WELCH: No, we had none. It was accepted by that time, but I think one of the distinguished senators from Tennessee, who was a very influential person on the hill, was interested in political appointees over a period of time.

DR. CRAWFORD: Well, one of the senators, Senator Kenneth McKellar, had a real clash with David Lilienthal over the matter.

DR. WELCH: That's the senator about whom I speak.

DR. CRAWFORD: I know they had quite a falling out over the matter that was never healed, I believe.

DR. WELCH: Yes, I think that's right.

DR. CRAWFORD: What other matters received most of your attention as director other than the regular appropriations and the bonding program.

DR. WELCH: Well, I was very interested in all phases of the TVA program, but I was particularly interested in the forestry

DR. WELCH: good judgment in terms of developing programs that would
(Cont'd.) not have been available or would not have been had in the
absence of this diversity.

DR. CRAWFORD: Looking back on your decisions as a director, do
you feel that good judgment was generally exercised in
decisions made through that period of time?

DR. WELCH: Well, I think I could speak to that and not
implicate myself in terms of any unusual claim. I would
say that in terms of the other two directors, the general
manager and the engineer that had charge of the electric
development program, I think there was high competency in
making judgments. But I think that would have been there
had I not been on the Board.

DR. CRAWFORD: Do you feel that you had good staff work? Did you
feel that you had adequate information on which to make
decisions?

DR. WELCH: Very excellent information.

DR. CRAWFORD: I know that the general manager's office and the
other administrative structure for TVA had been organized
and reorganized through the status of coordinator to general

DR. WELCH: and the development of new fertilizers adapted to the
(Cont'd.) requirements of the area. I gave attention to those
programs in maybe a special way.

DR. CRAWFORD: In the first board of TVA, responsibility was
somewhat divided with power responsibility mainly going
to David Lilienthal, engineering to Arthur Morgan, and
agricultural to Harcourt Morgan. Was there any such
division, either stated or tacit at the time you were
director?

DR. WELCH: Well, there was no division so stated. I think
at the time I served on the Board it was generally assumed
that questions having to do with forestry and agriculture,
soil conservation and water usage, that my background might
have provided me with an opportunity to make some contribution
to the Board's deliberation. And General Vogel and the field
of engineering, and A. R. Jones and the fiscal area.

DR. CRAWFORD: Do you think that was a wise provision, having
directors with specific technical backgrounds different from
one another?

DR. WELCH: I think it would have been unfortunate for all of the
directors to have been engineers, for instance, or agricul-
turists. I think it brought a diversity and a basis for

DR. CRAWFORD: manager and then had been revised somewhat by W. J. Hays.
(Cont'd.)

Did you feel that it functioned effectively while you were
in office?

DR. WELCH: I think it did. Mr. Wagner, who was general
manager at the time, has demonstrated his competency by
moving up to the Board and now Chairman of the Board, and
Red had been a long-time employee of TVA, had been with
it since the early years or maybe the early months of its
inception. And he had come to know the people, the
problems, the institution, and how to get things done.
He was an excellent general manager in my judgment.

DR. CRAWFORD: And with a good deal of background, of course,
in the operations of TVA.

DR. WELCH: Very rich background.

DR. CRAWFORD: How often did the Board meet?

DR. WELCH: Well, that's hard to say. I think we got together
every day. We had an agenda maybe two or three times a week,
but we usually had lunch together, we drifted into each others
offices, and we were together quite regularly.

DR. CRAWFORD: Did you visit all of the TVA properties and installations?

DR. WELCH: I think I visited all of them.

DR. CRAWFORD: How was your coordination with all branches of TVA? Was it especially good or poor with any part?

DR. WELCH: I think the coordination was very good. The staff worked in terms of the general manager's operation, tied in closely with the functions of the Board, made for a closely integrated program.

DR. CRAWFORD: Did you feel the staff was large enough? I know you feel the staff functioned efficiently. Did you feel a need for a larger staff?

DR. WELCH: No, I did not. I think an adequate staff is required, but I think it's easy to get too many people to do a good job sometime.

DR. CRAWFORD: Parkinson's Law?

DR. WELCH: Parkinson Law operates. I think TVA was fortunate in keeping its staff on a functional basis and every person had a job other than shuffling papers.

DR. CRAWFORD: Did you, or did anyone in TVA undertake any systematic study of future plans at that time?

DR. WELCH: Well, a projection of programs was a part of the overall operational program, and much attention has been given to the projected electric requirement within the area. Plans were made well in advance in terms of trying to meet these, and that projection of long-range planning brought us into difficulty with the Budget Bureau.

DR. CRAWFORD: You were having to plan in an expanding situation. Were you counting on an annual increase of about ten percent in power needs?

DR. WELCH: I believe we were counting on a larger increase.

DR. CRAWFORD: I suppose the Bureau of the Budget was difficult to convince about that.

DR. WELCH: They were quite difficult to convince about these needs.

DR. CRAWFORD: Do you think there was any built-in conflict between the Bureau of the Budget and TVA, or was it the result of personnel in the Bureau of the Budget at that time?

DR. WELCH: I think there's a certain margin or element of built-in differences. The Bureau of the Budget assumes that it's the budget bureau of a federal government, and TVA

DR. WELCH: was set up as a semi-autonomous agency, and the TVA Board of Directors and its personnel thought they knew more about the future requirements and needs of TVA, the operation of programs and what was required to make these efficient and effective, than the Bureau of the Budget knew about them.

DR. CRAWFORD: Did the Bureau of the Budget send people to study your projections, to look into the situation on the scene?

DR. WELCH: We had representatives from the Bureau of the Budget who visited with us regularly, but their visitation around headquarters and a trip out to see some of the dams and some of the steam plants in operation did not provide the background for a basic understanding of TVA's program and its needs. And I say that without intending to impute or reflect on the competency of the personnel that were involved.

DR. CRAWFORD: What about your attention to the agricultural operations at Muscle Shoals. I'm sure you gave that a good deal of attention. What did you think of their work, and how did it develop while you were director?

DR. WELCH: I think it made progress while I was there. I think the TVA fertilizer program, with its emphasis on

DR. WELCH: phosphatic fertilizers, taking account of the soil needs of the area, I think it was a terrific program. When TVA came into existence the plant food elements found in fertilizers used in the southern states was very, very low. When I left TVA the plant components of fertilizers generally were much higher and they were much better suited to the soil requirements of the area.

DR. CRAWFORD: Do you think that program tended to phase out its own need? I know the agricultural conditions were very desperate in the early '30's. Do you think they had improved markedly by the '50's?

DR. WELCH: I think they had improved distinctly, but I do not think that their job had been completed. This is a challenging problem. I don't think this job was any more completed than the job of the research experiment station at the land grant colleges is completed at a given period of time. It's an unfolding, challenging opportunity.

DR. CRAWFORD: I believe that you had a rather steady development in fertilizer patents, didn't you?

DR. WELCH: Yes, we did, and these were used and made available so that the farm people, the agricultural people, could get full advantage of . . .

DR. CRAWFORD: I believe these patents were made available to commercial fertilizer manufacturers, were they not?

DR. WELCH: With certain restrictions.

DR. CRAWFORD: So their effect was really national and not regional in that case?

DR. WELCH: Well, not only national in terms of benefits, but national in terms of reaching all the people. If you produce livestock more cheaply--better livestock--the consumer benefits, and that's all of us. And practices and programs in forestry spilled out and benefited people generally--all over the country.

DR. CRAWFORD: Did you spend much time at Muscle Shoals?

DR. WELCH: I spent considerable time there. I visited there regularly and stayed in close contact with the operational program.

DR. CRAWFORD: I believe that was the official headquarters of TVA.

DR. WELCH: Originally, it was designated as the official headquarters,

DR. WELCH: and houses were constructed there for each member of the
(Cont'd.) Board of Directors, but I think no board member ever lived
in one of those houses.

DR. CRAWFORD: As a Board member, how did you manage your commuting?
Did you go back to Lexington on weekends? That was considered
your home, I believe?

DR. WELCH: Yes. I didn't go back on all weekends, but I
commuted. I went back from time to time on weekends.

DR. CRAWFORD: Where did you stay when you were in Knoxville?

DR. WELCH: I stayed at the hotel.

DR. CRAWFORD: The Andrew Johnson?

DR. WELCH: No, it was this little hotel that's been razed.
What is it--the Southern?

DR. CRAWFORD: I believe Brooks Hays, when he was there, lived at
the Andrew Johnson.

DR. WELCH: Yes.

DR. CRAWFORD: And I believe that's where Arthur Morgan stayed when

DR. CRAWFORD: he first arrived. Several other people did also.
(Cont'd.)

DR. WELCH: Well, a number of persons in TVA lived at the hotel, and I'm sorry to say that (I'm not sure it was the Southern), but it's been razed now and another building is on the lot.

DR. CRAWFORD: Several people have served on the TVA Board with academic backgrounds. Did you feel that yours was any advantage or disadvantage in your service there?

DR. WELCH: Well, I wouldn't want to admit that I thought it was a disadvantage. I don't think academic accomplishments disadvantage in any area of activity.

DR. CRAWFORD: Of course, you had had a career which had brought you into contact with many phases of the region's development before going to work there.

DR. WELCH: That's right. I served on the Economic Committee of the South; I served on that. I served on a congressional committee that wrote the Agricultural Act of 1946, and this had brought me into intimate contact with the educational institutions and the agricultural leaders of all of the states in which TVA operates.

DR. CRAWFORD: So you had wide contact at the time you became a director. TVA had done extremely well, I think, in building grassroot support in developing quite a constituency in the area. Did you do any work in terms of public relations? Did you travel, make speeches?

DR. WELCH: I made speeches, and I presume that every member of the Board of Trustees is a public relations man. If he isn't, he should be, and I think they all did.

DR. CRAWFORD: How did you approach this public relations work other than your speech making? Was that the major part of it?

DR. WELCH: I think public relations work is largely in terms of interpreting programs and activities, and acquainting people with what's involved, acquainting people with programs and needs of TVA and making it possible for them to intelligently react to the program. I think there's nothing magic or mysterious about public relations.

DR. CRAWFORD: What points did you emphasize in your speeches for TVA?

DR. WELCH: Well, that's kind of difficult to say. I talked about TVA and the program and its leading to the resource

DR. WELCH: development of the area when I talked to people within the area, and when I talked to people outside the area I talked about TVA and its implications on the nation, as a whole.

DR. CRAWFORD: Did you write your own speeches or did you have research assistants in TVA?

DR. WELCH: I think we all looked to the writers of TVA to provide assistance. I certainly went over all of the speeches and made whatever contributions, in terms of verbage, that I wanted to make. But I was not an independent writer. If I wanted to talk about electric power, I talked to someone who was more intimately acquainted with the details of the power program. If I talked about agriculture I consulted with the people in the program.

DR. CRAWFORD: Well, you had specialists there, of course, who knew all these things in great detail.

DR. WELCH: That's right, we had press relations people there, and had a good one. I believe he is still there.

DR. CRAWFORD: Paul Evans?

DR. WELCH: Paul Evans.

DR. CRAWFORD: Were you pleased with the support given by communities and publications in the Valley?

DR. WELCH: Reports that were given by them?

DR. CRAWFORD: Were you pleased with the support that they gave you?

DR. WELCH: Oh. No, I think a lot of people in the Valley were not appreciative or did not understand the significance and importance of TVA to their own welfare. And I would say that the reaction on the part of the people in the Valley was a sore disappointment.

DR. CRAWFORD: I suppose your public relations plan--the speeches you made and so forth--had correcting that in mind.

DR. WELCH: That was one of the major objectives.

DR. CRAWFORD: Did you notice any improvement in the time that you served in that?

DR. WELCH: Well, I was only there for a short period of time. I wouldn't be in a position to say that I thought the changes were made. I think progress was being made, but when I left TVA I think there were still a lot of people in the area that were unappreciative of the TVA program.

DR. CRAWFORD: What were the circumstances of your leaving TVA,
Mr. Welch? Did you go back to the University of Kentucky?

DR. WELCH: I left the University of Kentucky on a leave of
absence, and I had planned to stay there a longer period
of time--maybe resign from the university--but conditions
developed at the university that made it necessary for me
to make a decision to either go back or stay with TVA. I
had strong attachments to the university.

DR. CRAWFORD: How long would your term with TVA have been had
you remained?

DR. WELCH: I believe it would have been about three years.

DR. CRAWFORD: Did you have any difficulty deciding to return to
the university rather than to remain with TVA?

DR. WELCH: I had great difficulty. It was a tough decision
to make. I was very much interested in the TVA and its
program and I was very interested in the University of
Kentucky. I think I should say though that when I went
to TVA the concern and the uncertainty about TVA's future
was a great motivation in my going. I was greatly concerned
that TVA not be dismantled or that nothing be done to disrupt
the very fine programs that were in operation, and my concern

DR. WELCH: was allayed greatly after I came to know the new director.
(Cont'd.)

And I might say that A. R. Jones, a member of the Board, took the oath of office only, I guess, a month or six weeks before I took the oath of office. And as you probably know, and as the record would indicate, there was very great concern expressed about Mr. Jones' appointment when his appointment came up for hearing in the Congress.

DR. CRAWFORD: Yes, I remember some of the text of the hearing about that.

DR. WELCH: There was great concern about A. R. Jones' appointment, but I found A. R. Jones to be very dedicated and devoted to TVA.

DR. CRAWFORD: You were concerned about the possible future or dismantling of TVA, but I believe those concerns were relieved after you assumed the job, were they not?

DR. WELCH: That's right, and they had been largely dissipated by the time I resigned and went back to the university.

DR. CRAWFORD: Was your appointment as a Southerner, Democrat, and supporter of TVA an element in dissipating those concerns?

DR. WELCH: I wouldn't know to what extent that may have contributed. I think minor. I certainly was a vigorous spokesman for TVA, and I went on the Board, but I found there was no selling job in terms of convincing the other two members of the Board of the importance of TVA continuing as a viable and vigorous organization. I wouldn't want to make any claims that I contributed anything materially to their thinking, to their attitude, and to their devotion to TVA.

DR. CRAWFORD: You know, I would think your appointment might have been reassuring to people in the region.

DR. WELCH: Well, I'm reasonably sure that my appointment to the Board gave assurance to a lot of the people that were concerned about it that the Eisenhower administration was not out to dismantle TVA. I don't think I would have been appointed if that had been one of the objectives of the administration.

DR. CRAWFORD: I believe that would have been the feeling. Was the Dixon-Yates affair all concluded at the time you took office?

DR. WELCH: The Dixon-Yates affair was very much in consideration

DR. WELCH: at the time I took the oath of office.
(Cont'd.)

DR. CRAWFORD: Did you have any previously formed ideas about it
at the time you became director?

DR. WELCH: I did. I think I've indicated enough about my
background in relation to TVA and the knowledge and under-
standing of its inception and its program of service to the
area that I would react negatively to the Dixon-Yates
proposal, and that I did before going to the Board and
that I did after I got on the Board.

DR. CRAWFORD: Were you questioned about your views toward that
in the hearing?

DR. WELCH: I was not.

DR. CRAWFORD: I think by the time it was over, everyone was glad
to see it go.

DR. WELCH: I think so. I think it was an absurd proposal, but
it did arouse concern and there was some basis for concern
at the time.

DR. CRAWFORD: Do you feel that its support was mainly among

DR. CRAWFORD: members of the president's staff rather than the President himself?

DR. WELCH: Oh, I think the President depended on his staff. Sherman Adams was in the White House at the time. Now I visited with President Eisenhower at the time I was being considered for TVA and we talked about the TVA program and talked about the agricultural program, and President Eisenhower indicated a very strong interest in both programs.

DR. CRAWFORD: Did he express his opinions about TVA to you at that time?

DR. WELCH: I don't know that he expressed specifically an opinion but our general discussion gave evidence that Eisenhower was interested in seeing TVA in good hands and that it operate efficiently and effectively.

DR. CRAWFORD: You would not believe at that time that he had any feeling about TVA's needing to be sold?

DR. WELCH: If I had thought President Eisenhower had any intention of pressing vigorously for the dismantling of TVA as such, I would not have accepted appointment on the Board.

DR. CRAWFORD: If he ever had such ideas, they certainly seemed to have changed as time went on.

DR. WELCH: I think they did. As a matter of fact, I don't think that the President himself ever had any firm idea that the government would sell TVA.

DR. CRAWFORD: I think perhaps the occasion that appeared in his speech--something that the speech writer had put in that he was not too familiar with.

DR. WELCH: I think so. That's my judgment, and that if he had been making this speech again, I doubt if that statement would have been included. That, of course, is an opinion.

DR. CRAWFORD: At the time you left TVA, Dr. Welch, what were the major tasks remaining to be done?

DR. WELCH: The major problem when I left TVA was financing, and the bonding issue program was just getting under way at the time.

DR. CRAWFORD: What, in your opinion, was your most satisfying work with TVA?

DR. WELCH: I wouldn't think that I could indicate any specific activity or specific accomplishment. I worked on the total program; I worked vigorously and I worked enthusiastically.

DR. CRAWFORD: I know you had a great deal of knowledge about TVA and the area before you started. Did you learn anything new especially from the work?

DR. WELCH: Well, I learned a lot about the details of the operation of the program. An outsider doesn't know the internal workings of an organization. I'd say I learned a lot. It would be absurd for me to say that I went there knowing all about TVA.

DR. CRAWFORD: Thank you very much, Dr. Welch.

